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Imperial Valley Quake Proves Construction Theories Sound

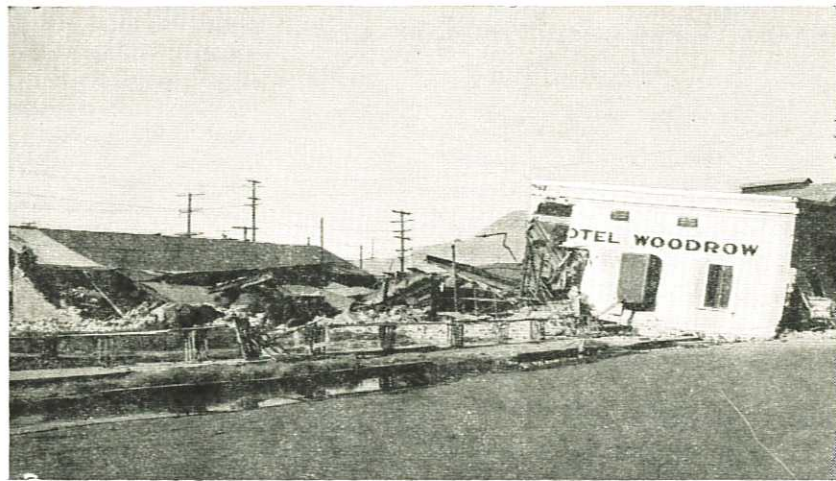
By

DWIGHT W. STEPHENSON, Director
Department of Professional and Vocational Standards

Out of the losses and injuries to Imperial Valley from the earthquake of May 18th have come some benefits, at least. The temblor, more severe than generally understood because of the fact that the newspapers were unable to give customary space due to European events, centered in Brawley and caused material damage in most of the towns of the Imperial Valley.

Examinations by engineers and experts on construction materials were made of the widespread damage and it was generally determined that California's laws, passed immediately following the Long Beach earthquake and providing for lateral support in

commercial and public buildings, are founded upon sound engineering. It was also determined that the type of construction called for by California's more advanced building codes and by the minimum "FHA" require-



Remains of Hotel Woodrow—Brawley. (Note upper story of building resting in street)



Complete collapse of former Imperial Night Club

ments gives a degree of strength and security to residential buildings far above that which widely prevailed prior to 1930.

Failures that occurred were found among buildings constructed in the same manner as those which failed in the disastrous Santa Barbara and Long Beach shakes. Construction in conformity with the recent state laws enacted to avoid such difficulties gave a good account of itself in the valley sections.

THE CALIFORNIA LICENSED CONTRACTOR

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Imperial Valley Quake Proves Construction Theories Sound

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Aside from the investigational work by experts, it should be of interest to the construction industry to know that its Contractors' State License Board, headed by Registrar Allen Miller, rendered a valuable service in performing emergency work in the communities of the valley.



Typical of the spirit of the people at Brawley, this picture shows Flag run up after the shake

The quake occurred late Saturday night. Early Sunday Governor Culbert L. Olson, at Sacramento, telephoned me at home in Los Angeles; by noon our force of thirteen men were on their way to El Centro. A report of operations, as made to me by Deputy Registrar Ralph S. Bowdle of the Contractors' Board and Pecos H. Calahan, Assistant Secretary of the Board of Civil Engineers, shows



New City Library—Brawley. (Showing effects on adobe construction)

that a plan of work under the local authorities, and assignments of duties, were completed Sunday evening and actual inspection commenced at 6 a.m. Monday. I am proud of the service these men in the department rendered; it reflects well upon my department, judging from outside reports. I trust that the construction and engineering profession will also be glad to know that this state department with which these two groups of licentiates work in such harmony will share my satisfaction. The report as filed reads as follows:

"Pursuant to your orders of Sunday morning, May 19th (following the earthquake in Imperial Valley Sunday night, May 18th), the thirteen men assigned by you to emergency work had reported to the undersigned at El Centro by late Sunday afternoon.

"A meeting was immediately called by Councilman Charles A. Bratton, with City Engineer Don Davis, and his building inspector, Ralph Congreve present. A plan of operation was adopted at this meeting. Thereafter a meeting of our own group was held and assignments of duties made.

"While no request had been made by cities other than El Centro, by Sunday evening, at the sug-

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Skilled Mechanics for California's Construction Industries

By

ARCHIE J. MOONEY, Secretary, California Apprenticeship Council

California's construction industries need skilled mechanics all the time; so does every other industry employing skilled tradesmen—and they need them right now. The question is: how to get them?

The skilled journeymen mechanics of tomorrow must come from those who are learning their trades today—the apprentices; a simple statement of fact that is recognized as such by everybody.

During the past decade many men have, through age, incapacity or retirement, gone out of employment. Because of the depression, their places have been readily filled by others properly qualified by years of experience. Because of this system we have now reached the position in too many instances where we no longer have the needed trained journeymen, nor do we have anyone properly trained to be a journeyman. The situation is serious. Right now there is an acute shortage and a genuine need for skilled workers in some trades, and the number of trades is steadily increasing.

In other words, our problem is this: The need for skilled workers is on the up-grade. The average age of employees is too high and is rapidly rising higher. Young people must be employed. It therefore must be determined whether these newcomers into employment will be properly educated, trained and fitted for their positions, or whether they shall be placed in employment in such a haphazard manner that no one cares for them and they are unable to care for themselves.

The construction industry is right now faced with this problem. We submit the apprentice training program as a solution.

It took five years of effort to set up such a program in California. The value of the time so spent is best evidenced by the fact that upon the passage of the California law there were but three dissenting votes in the State Assembly, while in the Senate the vote was unanimous in approval. The theory which made this accomplishment possible was the forthright declaration that the apprentice problem is an industrial problem and should be accepted by industry as its responsibility; I speak of industry as including employer and employee.

With that primary principle recognized and accepted, we were faced with the fact that there was no industrial group so established as to accept the responsibility of leader-

ship in outlining such a program as was needed in our state. It was therefore unanimously agreed that such leadership should be vested in an agency of government selected from those groups upon whose cooperation the institution of a bona fide apprentice training program would depend.

In setting up such an agency the three groups most directly concerned—employer, journeyman, and apprentice—were recognized. We found that each group had some definite opinions against an apprentice program. Our job, then, was first to define the duties and functions of the California Apprenticeship Council, and thereafter to outline policies to be followed which would eliminate present fears predicated upon maladjustments of the past, and at the same time give definite indications of future procedure that would protect and advance the best interests of all parties concerned.

We now have the Shelley-Maloney Apprenticeship Labor Standards Act of 1939 which, when passed by the Legislature and signed by Governor Olson, became effective September 19th of last year. This California law provides for the appointment of an apprenticeship council by the Governor. We now have such a council, in operation since October 14, 1939. It comprises four representatives from employer organizations, four from employee organizations, one representing the general public, with the Chief of the Bureau of Trade and Industrial Education and the Director of Industrial Relations added thereto as ex officio members. On this council we have men of experience with the problems of the aircraft industry, printing trade, heavy industries, general construction work, ship building, subcontracting, the automobile and electrical industries, food and distributive trades, and the general public.

The duties and responsibilities of the California Apprenticeship Council are set up as follows by Section 3071 of the Labor Code:

“The Apprenticeship Council shall establish standards for minimum wages, maximum hours, working conditions for apprentice agreements, hereinafter in this chapter referred to as labor standards, which in no case shall be lower than those prescribed by this chapter; shall issue such rules and regulations as may be necessary to carry out the intent and purpose of this chapter, shall foster, promote,

and develop the welfare of the apprentice and industry, improve the working conditions of apprentices, and advance their opportunities for profitable employment."

To carry out these duties and functions, the cooperation of employer and employee organizations throughout the State is of vital importance. Therefore, in accordance with Section 3075 of the Labor Code, which says:

"Local or State joint apprenticeship committees may be selected by the employer and the employee organizations, in any trade in the State or in a city or trade area, whenever the apprentice training needs of such trade justifies such establishment. Such joint apprenticeship committees shall be composed of an equal number of employer and employee representatives."

the selection of such committees is encouraged. In this way we give to industry the widest possible range of self-government. By the same token, employers and employees in any industry or subdivisions thereof are expected to accept their full responsibility. We feel that they, in any given line of employment, are the ones best qualified to judge their needs. By experience, knowledge and training they should be, and no doubt are, the ones most competent to set up the rules and regulations by which they shall be governed.

Section 3076 of the Labor Code defines the procedure under which we are carrying out these thoughts through the formation of joint committees. I quote that section:

"The function of the joint apprenticeship committee shall be to work in an advisory capacity with employers and employees in matters regarding schedule of operations, application of wage rates, working conditions for apprentices, the number of apprentices which shall be employed in the trade under apprentice agreement under this chapter, in accordance with labor standards set up by the Apprenticeship Council; and to aid in the adjustment of apprenticeship disputes as they affect labor standards."

You will note that mention is made of labor standards to be outlined by the Apprenticeship Council. This is for the purpose of having a representative and impartial agency guarantee that the rules and regulations governing apprentices are fairly set up and fairly applied. With the advice of attorneys for the Department of Industrial Relations and the office of the State Attorney General, suggested

language for apprentice labor standards was approved by the Apprenticeship Council and has been recommended to various industries throughout the State.

Seventy-seven groups, extending from San Diego to Eureka, have already accepted these apprentice labor standards. About four thousand apprentices come under the provisions of these standards, of which thirteen hundred are actually indentured at the present time. These agreements cover practically all trades in the building and construction industry.

In general, standards provide for a minimum starting age of sixteen, a wage schedule with a beginning wage of not less than 25 per cent of the journeyman's wage, and advancement every six months of not less than 15 per cent of the commencement wage, an over-all average of not less than 50 per cent of the journeyman's wage during the entire period of apprenticeship, and reasonable continuity of employment.

Apprentice agreements, commonly called indentures, are mandatory under the law, as are 144 hours of school instruction per year. A ratio of the number of apprentices to journeymen, as well as the right of transfer of the apprentice from one employer to another is set up in the labor standards.

All of the foregoing is in compliance with the act creating the California Apprenticeship Council. This act is permissive in private industry, with its provisions binding only upon those desiring to come under its terms, but it is mandatory upon public works and upon those industries coming under the rules of Federal and State agencies which deal with employment.

Section 1777.5 of the Labor Code sets up the rules and regulations under which apprentices may be employed on public works in California. Among other things this section says:

"Nothing in this chapter shall prevent the employment of properly indentured apprentices upon public works.

* * * * *

"The term 'apprentice,' as used in this section, means a person at least sixteen years of age who has entered into a written apprentice agreement under Chapter 4 of Division III of the Labor Code."

(NOTE.—Chapter 4 of Division III of the Labor Code is the act which sets up the California Apprenticeship Council, its functions and duties.)

The Apprenticeship Act itself is so worded that all of the things necessary to be done in

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Why Licenses Are Suspended or Revoked

Editor's Note: This is the third of a series of fifteen articles to be run in a like number of issues of the California Licensed Contractor. Each will be preceded by a brief statement of all of the sections of the Business and Professions Code that constitute cause for action against a contractor's license. In each of the articles one of the sections will be featured by an explanation and by examples taken from our files.

The sections are Nos. 7106 to 7120 inclusive, and are grouped in Article 7 of Chapter 9 of Division III of the Business and Professions Code of California.

Power of suspension for violation of these sections is given the Registrar in Section 7090 of the same article, which states, "The registrar may upon his own motion and shall upon the verified complaint in writing of any person, investigate the actions of any contractor within the State and may temporarily suspend or permanently revoke any license if the holder, while a licensee or applicant hereunder, is guilty of or commits any one or more of the acts or omissions constituting causes for disciplinary action."

Consolidation.

7106. The suspension or revocation of license as in this chapter provided may also be embraced in any action otherwise proper in any court involving the licensee's performance of his legal obligation as a contractor.

Abandonment.

7107. Abandonment without legal excuse of any construction project or operation engaged in or undertaken by the licensee as a contractor constitutes a cause for disciplinary action.

Misuse of funds.

7108. Diversion of funds or property received for prosecution or completion of a specific construction project or operation, or for a specified purpose in the prosecution or completion of any construction project or operation, and their application or use for any other construction project or operation, obligation or purpose constitutes a cause for disciplinary action.

Disregard of specifications.

7109. Wilful departure from or disregard of, plans or specifications in any material respect, and prejudicial to another without consent of the owner or his duly authorized representative, and without the consent of the person entitled to have the particular construction project or operation completed in accordance with such plans and specifications constitutes a cause for disciplinary action.

Violation of laws.

7110. Wilful or deliberate disregard and violation of the building laws of the State, or of any political subdivision thereof or of the safety laws or labor laws or compensation insurance laws of the State constitutes a cause for disciplinary action.

Preservation of records.

7111. Failure to make and keep records showing all contracts, documents, records, receipts and disbursements by a licensee of all of his transactions as a contractor and open to inspection by the registrar for a period of not less than three

years after completion of any construction project or operation to which the records refer constitutes a cause for disciplinary action.

Misrepresentation.

7112. Misrepresentation of a material fact by an applicant in obtaining a license constitutes a cause for disciplinary action.

Violation of contracts.

7113. Failure in a material respect on the part of a licensee to complete any construction project or operation for the price stated in the contract for such construction project or operation or in any modification of such contract constitutes a cause for disciplinary action.

Unlicensed persons.

7114. Aiding or abetting an unlicensed person to evade the provisions of this chapter or knowingly combining or conspiring with an unlicensed person, or allowing one's license to be used by an unlicensed person, or acting as agent or partner or associate, or otherwise, of an unlicensed person with the intent to evade the provisions of this chapter constitutes a cause for disciplinary action.

Violation of this law.

7115. Failure in any material respect to comply with the provisions of this chapter constitutes a cause for disciplinary action.

Fraud.

7116. The doing of any wilful or fraudulent act by the licensee as a contractor in consequence of which another is substantially injured constitutes a cause for disciplinary action.

Personnel variance.

7117. Acting in the capacity of a contractor under any license issued hereunder except: (a) in the name of the licensee as set forth upon the license, or (b) in accordance with the personnel of the licensee as set forth in the application for such license, or as later changed as provided in this chapter, constitutes a cause for disciplinary action.

7118. Knowingly entering into a contract with a contractor while

such contractor is not licensed as provided in this chapter constitutes a cause for disciplinary action.

Lack of
reasonable
diligence.

7119. Wilful failure or refusal without legal excuse on the part of a licensee as a contractor to prosecute a construction project or operation with reasonable diligence causing material injury to another constitutes a cause for disciplinary action.

Withholding
money.

7120. Wilful or deliberate failure by any licensee or agent or officer thereof, to pay any moneys, when due for any materials or services rendered in connection with his operations as a contractor, when he has the capacity to pay or when he has received sufficient funds therefor as payment for the particular construction work, project, or operation for which the services or materials were rendered or purchased constitutes a cause for disciplinary action, as does the false denial of any such amount due or the validity of the claim thereof with intent to secure for himself, his employer, or other person, any discount upon such indebtedness or with intent to hinder, delay, or defraud the person to whom such indebtedness is due.

The third in this series of articles dealing with causes of disciplinary action against contractors under the Business and Professions Code bears directly upon the business procedure of nearly all licensed contractors. The section dealt with is 7108, commonly known as the "diversion of funds" provision of the act, and reads as follows:

Diversion of funds or property received for prosecution or completion of a specific construction project or operation, or for a specified purpose in the prosecution or completion of any construction project or operation, and their application or use for any other construction project or operation, obligation or purpose constitutes a cause for disciplinary action.

Two types of action are contemplated by this portion of the code—one referring to the use of contract payments, the other, to the improper disposition of materials ordered or secured by a contractor for use upon a particular job.

Let us first study the provisions of the section relating to the handling of construction funds. Stripped of the most essential wording, and considering the section only as it refers to funds, we find that it prohibits the "diversion of funds—received for prosecution or completion of a specific project, or for a specified purpose in the prosecution or completion of any construction project, * * * and their use for any other purpose * * *."

It is, of course, necessary to first determine what constitutes "diversion." The dictionary defines "diversion" as "the act of turning aside from any course, occupation, or object." The use of the term as established by legal proceedings, when involving monies, means "the permanent taking from one fund to the use of another, and not a temporary transfer of funds."

It therefore appears clear that the violation of diversion of funds has only occurred when two acts have taken place. The first is the taking of the funds from the owner in payment of a construction project and the second is the use of those funds to discharge some obligation not connected with the contract in payment of which the funds were issued.

At this point it is necessary to consider the fact that contractors receiving their contract payments seldom directly, or immediately, use those same contract payments for the purpose of discharging construction obligations incurred. The direct action that takes place is usually the deposit of the funds in a bank account in the name of the contractor. The fact is indisputable that a contractor can not be charged with diversion of funds if he has in his possession, in a bank account or in a similar depository, the very funds which it is claimed he has diverted.

Let us suppose that there is an honest dispute between a contractor and a claimant regarding payment for building materials or services rendered upon a particular job. The contractor has been paid in full for that particular job and has in his possession a considerable sum of money remaining from the payments he has received. Because of the disputed claim the contractor is unwilling to advance these sums to the claimant but he keeps them in liquid form where they may be disbursed upon disposition of the argument. The contractor has acted in good faith and in the proper manner and he can not be charged with diversion of funds merely because his payments were not used to immediately discharge all claimed obligations.

It is interesting to note that the statute provides that diversion only occurs after the funds have first been received and then have been applied to some other "use." The depositing in the bank account does not in itself constitute "use" of those funds.

The method of proof of the violation of the section in question is relatively simple. Ordinarily, there is a prima facie case against

the contractor if he has received all of his funds from a particular job and has not and does not have the capacity to discharge all of his obligations on the particular job involved.

However, it is a fact that occasions arise where a contractor has fully used all payments upon a particular job for discharge of obligations upon that job and there are still unpaid bills. In that case the contractor could not possibly have diverted funds and no action may successfully be prosecuted against him for diversion of funds before the Registrar of Contractors. He will be able to present a defense that will clear him.

Since the contractor is required by Section 7111 of the Business and Professions Code to make and keep records showing all receipts and disbursements, which records are open to the Registrar, the contractor's own records offer an easy method of determining whether or not diversion of funds has occurred upon a job. Failure to make and produce records is in itself grounds for suspension.

As a matter of fact, all hearing notices served upon complainants and defendants to appear before the Registrar, carry an order to the parties that they bring and produce their records at the hearing. In order to fortify this order, however, a complainant who desires the use of a defendant's records at a hearing before the Registrar, should make doubly sure that the defendant's full records will be present by securing a subpoena from the Registrar directing the defendant to appear and to present his full records upon the job. The subpoena may be served by the complainant or anyone to whom he desires to entrust the service.

At the hearing, under Section 2055 of the Code of Civil Procedure the complainant can require the defendant to take the stand and to testify and to present his record. By the examination of the defendant's books, it will clearly show whether or not his receipts from the job in question were greater or less than his expenditures. By expenditures is meant the outlay for labor, materials, contractor's bills, and all other items which are directly chargeable to the job. A contractor can not claim that he has made an expenditure upon a particular job because of overhead or for items which are not directly job costs. If the defendant has received more money than he has paid out for items commonly called "Job costs" it is obvious that the difference constitutes a diversion and the complainant's case is then proved by merely establishing the fact that the complainant has an unpaid undisputed bill.

Closely related to Section 7108 of the code, are Sections 7113 and 7120. Under 7113 an owner, who has been forced to pay in addition to the contract price because of failure of the contractor to take care of his obligations, may bring an action against the contractor even though no diversion occurred. In other words, the contractor may have used all of his contract payments to pay bills but because of financial inability and a loss on the job the owner is required to take care of the surplus bills or liens, and thus the contractor is guilty of a violation of the Contractors' Act.

Likewise, under Section 7120, a contractor upon a particular job may not have received sufficient funds from the job, due to a loss, with which to discharge his obligations on the same job from the funds received in payment thereof. But if the contractor has the financial ability to pay his construction obligations, even though the ability arises from some source other than the contract or project in question, then he can be held under Section 7120.

Likewise, under Section 7106, (see Feb. 1940 California Licensed Contractor, "Why licenses are suspended or revoked"), if a contractor fails to pay a construction bill and is successfully sued in the civil court, the plaintiff may also ask for the suspension of the contractor's license by the civil court for mere failure to discharge an obligation. Neither diversion nor capacity to pay need be proved in such actions.

A contractor who pays wages to himself because of labor personally performed upon a job, or because of supervisory services rendered by himself, is diverting funds if there is a shortage on the job and he can not claim that his payment to himself is a credit to which he is entitled in attempting to balance his disbursements and receipts. Likewise, he can not claim credit for disbursements against a particular job because of payments made for equipment, liability insurance, deposits to secure the payment of compensation insurance (as opposed to payroll audit claims which are actually a charge against the particular job) and other items that are purely overhead expense.

The credits which a contractor can successfully claim as offsets for receipts on a particular job consist of payments made for obligations which could be enforced against the owner by the filing of a lien if they were unpaid by the contractor, plus other items of the same class as, or similar to, payments for compensation insurance payroll audit, and Federal and State Social Security Insurance

based upon the actual wages paid upon the particular job only.

Section 7108 does not apply only to a general contractor; it applies equally to a subcontractor. He must, therefore, take the same safeguards in handling his construction funds as does a general contractor. In case of shortage on the job of a subcontractor, the shortage is usually passed on to the general contractor who thus may, if he desires, file a claim for diversion of funds against the subcontractor. Naturally where a subcontractor has not been paid because of diversion of funds by a general contractor, he has the right of complaint against a general contractor. In fact, any party who is directly or indirectly injured by diversion of funds, has the right to file a complaint against the contractor who has caused such injury.

Another phase of the section is that portion of it which refers to "diversion of funds received for prosecution or completion of a specific construction project or operation, or for a specified construction project." It would appear from this that diversion of funds may occur when a certain payment is issued to a contractor for a certain definite specified purpose if he does not use the funds for that particular purpose.

Thus, if a contractor received the sum of \$100 from an owner, upon the representation that he needed and would use that \$100 to pay labor, he would be guilty of diversion of funds if he used that \$100 for any other purpose, even payment of other proper bills against the same job. Even though he might, in so far as the entire job is concerned, expend as much money in payment of obligations as he received, if there was a shortage of labor which was unpaid from the time the \$100 was issued to him, he would have diverted funds from that \$100 payment to the extent of the unpaid labor.

It is generally admitted and known that the practice of the diversion of funds occurs commonly and frequently throughout the construction industry. It must be conceded that the practice especially in its more innocent aspects can not be entirely eliminated. To wipe it out entirely would work an undue hardship in many instances. The contractor who is solvent and who pays his obligations when due can not be required, in any event, to answer because of diversion of funds; there could be no injury or likelihood of loss because of his practice. Diversion, when it occurs in a technical sense is not necessarily injurious and can not be said to be a bad practice.

But when a contractor, even because of unforeseen circumstances, is unable to discharge his obligations and he has received sufficient funds in payment of the project in question, then his license is subject to suspension or revocation under this section of the code.

As to the prohibition against the diversion of materials, little need be said. A contractor performing a lump-sum contract is certainly entitled to keep any residue or unused material, even though it may have been delivered upon a particular job, providing that the owner is not required to sustain any loss because of financial inability on the part of the contractor to clear the job of lien claims.

On the other hand, should a contractor have materials delivered to a job and then transfer that material elsewhere, or take it for his own purposes with an attendant loss to any party, diversion of material has occurred, and an action can be sustained.

As in the situation that arises when a contractor impounds his funds pending a dispute, it is also proper to assume the position that no cause of action arises because of diversion of material, unless it has been transferred to some other purpose and has not merely been put in storage for safe-keeping.

To prove diversion, it is not necessary to show what particular purpose, or obligation, or upon what other construction project the funds or materials have been used. The act states that it occurs when funds or material have been used " * * * for any other construction project or operation, obligation, or purpose." The wording is so broad that it is only necessary to show that the funds or material were used for some purpose other than prosecution of the particular project, keeping in mind, of course, that "use" does not occur by mere deposit or safe-keeping of funds or material.

Contractors frequently believe that they can avoid liability for diversion of funds by bankruptcy proceedings. If a contractor has been found guilty by the Registrar under Section 7108 and is subsequently discharged in bankruptcy thereby wiping out the legal obligation to pay the losses which occurred because of the diversion of funds, the discharge from bankruptcy has no effect upon the Registrar's decision of suspension. The contractor has been suspended for diversion of funds, not for a mere failure to pay a bill.

Likewise, a contractor may go through bankruptcy and be discharged and have no legally enforceable obligation to pay any previous claim. If, however, prior to bank-

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Simplified Specifications Offered by Federal Housing Administration

By

D. C. MCGINNESS, District Director, Federal Housing Administration

Although home building has swung into forward ranks as a major industry, many persons still are of the opinion that building a house is complicated procedure and that it involves too many details to distract attention from other, and possibly more pressing, problems.

As a result many families never get around to owning a home, and others are content to buy houses already built. It probably is true that in many instances the house does not conform with the buyer's individual ideas in the matter of design, room arrangement, or even location, but it is a house ready to move into, and a busy man buys it.

If the house has been built under FHA inspection, from architecturally approved plans and specifications, the buyer at least has assurance that it is soundly constructed, that the location has been approved by housing experts, and that it is eligible for financing under what generally is conceded the safest, soundest, and least costly plan of home financing ever offered through private lending institutions.

The Federal Housing Administration ever is alert, through research and study of the principles of sound construction, to simplify and reduce the cost of home building. Its latest contribution in this connection is a simplified form for submitting specifications with applications for mortgage insurance.

This exhibit, called "Description of Materials," will be accepted by the Federal Housing Administration in lieu of specifications, and by its use on the part of architects and home builders will facilitate the processing of applications, giving faster and more efficient service to the public, and at the same time assuring full credit for all materials used.

It is required, of course, that houses financed under the Federal Housing Plan shall equal, or exceed, FHA minimum construction requirements. In this new form will be found worked out and set down in simple, understandable fashion, all requirements from excavating to landscaping.

Under the thirty-one subheadings are included items pertaining to each operation as the new house takes form, so that no detail is overlooked, and all necessary information

readily is available in uniform pattern for review by the FHA architectural staff.

In many places, for instance, merely placing a cross in a square opposite description of materials saves several lines of descriptive writing, required in the old type of specifications. It is, in fact, the modern "streamlined" way of preparing specifications for constructing tomorrow's modern home. Also, it is another forward step by the Federal Housing Administration in making actual ownership of good homes more conveniently available to those who want to get out of the rent-receipt rut.

Thus, many of the former complications of home building and financing are being unraveled and simplified by the Federal Housing Administration, which now surrounds such transactions with every possible safeguard for the protection of the builder, the borrower, the financial institution which advances the money, and the resources of FHA, which insures the loan.

To mention only a few, these safeguards include inspection of neighborhood, review of building plans and specifications, inspection of the house during construction, long-term loans covering the highest percentage of value ever available, and government-control of financing charges which limits the interest rate to 4½ per cent, computed on outstanding declining balances.

The Contractors' State License Board is performing a valuable public service in curbing the activities of "jerry-builders" and weeding out unscrupulous operators. The Federal Housing Administration has been happy to cooperate with this commendable program and as a result of these combined activities, highly successful results have been achieved. In fact, recently they resulted in indictments being returned by the Federal Grand Jury, meeting in San Francisco, against an operator whose plan of operation was found fraudulent and designed to mulct the home buying public of considerable sums. Many similar, but less serious, cases are recorded in the courts of this district where the unscrupulous have been brought to justice through this closely cooperative program.

Hence, it appears that a greater part of the fear of home building on the part of many

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City of Compton Provides for Suspension of Contractor's Licenses

Contractor's licenses issued by the city of Compton, by the terms of a new ordinance, may now be canceled if the contractor's state license shall have been suspended or revoked, or if the contractor shall be shown to be incompetent in his work. The Compton ordinance provides other causes of action against the contractor's license in general paralleling the Contractors' State License Law. The ordinance in full reads as follows:

SECTION 7. REGISTRATION MAY BE REVOKED. The Certificate of any contractor registered under this Ordinance shall be automatically cancelled upon the receiving of proof that the Licensee is guilty of one or more of the following acts or omissions:

- (1) Cancellation or expiration of bond required herein;
- (2) Cancellation or expiration of State License;
- (3) Abandonment of any contract without legal excuse;
- (4) Diversion of funds or property received under express agreement for prosecution or completion of a specific contract under this ordinance, or for a specified purpose in the prosecution, or completion of any contract and their application or use to any other contract, obligation or purpose with intent to defraud or deceive creditors or the owner.
- (5) Fraudulent departure from, or disregard of plans or specifications in any material respect, without consent of the owner or his duly authorized representative; or the doing of any wilful, fraudulent act by the licensee as a contractor in consequence of which another is substantially injured.
- (6) Wilful and deliberate disregard and violation of the Building Code of the City of Compton, or of the safety laws or labor laws of the State, or incompetence as a contractor.
- (7) The subletting to another person, firm, co-partnership, corporation, association, organization, or combination thereof, for the construction, alteration, repair, addition to or improvement of any building or structure, or any part thereof, in the City of Compton, for a fixed sum, price, fee, percentage, or other compensation, until said person, firm, co-partnership, corporation, association, organization, or combination thereof, shall first produce a valid license showing that they are registered with the Building Inspector as a licensed subcontractor in accordance with Ordinance Number 415.
- (8) Aiding or abetting an unlicensed person to evade the provisions of Section 1 of ordinance No. 415 of the City of Compton, or knowingly combining or conspiring with an unlicensed person, or allowing one's license to be used by an unlicensed person, or acting as agent, partner, or associate of an unlicensed person, for the purpose of evading the provisions of Ordinance No. 415 of the City of Compton.

After cancellation of a Certificate of Registration such registration shall not be renewed or re-issued within a period of one year after final determination of cancellation and then only on proper showing that all loss caused by the act or omission for which the registration was cancelled has been fully satisfied.

SECTION 2. The City Clerk shall certify to the adoption of this ordinance by the Council and signature by the Mayor, and to its attestation by the City Clerk, and shall cause the same to be published by one insertion in the Compton Herald, a newspaper of general circulation, published and circulated in the City of Compton, and shall cause copies of the same to be posted in three public places in the City of Compton, and thereafter the same shall become effective according to law.

ADOPTED this 23rd day of April, 1940.

Cost Protection Becomes Important

Wars, and rumors of wars! Preparedness discussed—and preparedness begins! Bids ripen into contracts—and prices have jumped in the meantime! A rising market may catch you, if war doesn't.

In the past, whenever sharp rises in material have occurred, many contractors, because they had failed to protect themselves or because they were unable to do so, were forced to the wall.

The careful contractor who takes every possible step to protect himself from raises in cost so that he will not be embarrassed by figuring a job and then having his bid accepted, will find it hard sledding, too, but his chances of survival are high.

During the "middle '30's," when commodity prices moved up rather quickly, many instances came to the attention of the Registrar where contractors found themselves in serious financial difficulties because they had not anticipated the cost increases. They had figured jobs and made bids without a time limit. They had failed to even attempt to take steps to actually fix their material costs for a sufficient period of time to protect them until the date had passed when the acceptance of the bid was due.

In the event of financial involvement arising out of these causes, the fact that the contractor did not wilfully commit any wrong will not protect him in case he is charged with, and proved to have actually violated, a provision of the Contractors' Act. While the Registrar will look with sympathy upon the contractor's predicament, nevertheless, it may

be necessary in some cases for punitive action to be taken as the result of the filing of the complaint by the injured claimant.

It is also very likely that certain types of material will not be readily available at all times in the near future. If this occasion should arise, the contractor, who has bid upon a job requiring the use of these materials without first ascertaining whether or not they are available, will find himself in an embarrassing, possibly dangerous, position. Now, as at all times for that matter, the contractor who would successfully remain in business must be in direct contact with supplies of material, and must actually know what his present costs are and what trends are indicated. Jobs can't be figured on square footage, or by comparison with past jobs. Last month's material bills can't be taken as this month's quoted prices. Jobs have got to be actually figured as to quantities, prices must be really checked.

Director Stephenson Approves Personnel Increase

Five new inspectors for enforcement of the Contractors' Act have been approved by Director Dwight W. Stephenson at the request of the Contractors' State License Board and Registrar Allen Miller, and the necessary funds for their employment have been placed in the budget presented to the Department of Finance. The employment of these additional inspectors will bring the total number of inspectors employed by the board to thirty-six.

During the past year the staff of the State License Board was increased by the appointment of an additional deputy registrar in southern California, and the necessary stenographic help also required because of the increased work that called for the appointment of this new deputy.

Simplified Specifications Offered by Federal Housing Administration

(Continued from page 9)

who now can afford to own their homes, is based upon misapprehension and lack of information. With former hazards removed from this important business of building homes, and an impartial third party in the form of the Federal Housing Administration available to give expert guidance, families of modest means now may undertake home ownership safely and economically without fear of involved entanglements or loss of their investment.

Do You Know That—

By GLEN V. SLATER, Assistant Registrar

(In each edition of the "Licensed Contractor" I will attempt to give in this column excerpts from the various laws that directly affect your contracting business. For this edition, I have chosen the Labor Laws of the State.)

—Materials and supplies for use on public works jobs must be purchased in the United States.

—Aliens are not permitted to work on public works jobs.

—Every employee who is discharged shall be paid at the place of discharge.

—Employees who quit must be paid within 72 hours thereafter.

—Should an employee give 72 hours notice of his intention to quit, he is entitled to his wages at the time of quitting.

—All wages earned by any person in any employment are due and payable twice during each calendar month.

—In case of a dispute over the amount of wages due, an employer must pay that conceded by him to be due.

—Upon the happening of a strike, wages earned do not become due and payable until the next regular pay day.

—Every employer must keep posted a notice specifying the regular pay days and the time and place of payment at the place of work if practicable, or at his office, where it can readily be seen by employees going to and from work.

—If an employer wilfully fails to pay wages when due, the wages due the employee shall continue as a penalty from the due date thereof at the same rate until paid, but such wages shall not continue for more than thirty days.

—No minor under 16 years of age is permitted to work on scaffolding.

—Any person who coerces or compels any person to enter into an agreement not to join or become a member of any labor organization, as a condition of securing employment or continuing in the employment of any such person is guilty of a misdemeanor.

—The time of service of any workman employed upon public work is limited and restricted to eight hours during any one calendar day.

—A husband or wife can not assign wages without the written consent of the other spouse.

—By "prevailing rate of wages on public works" is meant the average rate of wages paid for work of a similar character in the locality where the work is to be done.

—No assignment of or order for wages or salary of a minor is valid unless the written consent of a parent or the guardian of such minor is attached thereto.

—Eight hours of labor constitutes a day's work, unless it is otherwise expressly stipulated by the parties to a contract, except in any case of emergency.

—No employer of labor shall cause his employees to work more than six days in seven, except in any case of emergency.

—A violation of the labor laws of the State by a contractor would subject his license to disciplinary action by the Registrar.

Employment of Unlicensed Contractors Dangerous

By

ALLEN MILLER, Registrar of Contractors

The higher courts of this State have from time to time rendered decisions that have a direct bearing on the application and interpretation of the Contractors' License Law, and by the nature of their far-reaching effect—by that I mean these decisions are binding on cases presenting similar facts—I desire periodically to bring them to your attention through the pages of the Licensed Contractor.

In the case of *Holm vs. Bramwell* (20 Cal. App. (2d) 332, 67 Pac. (2d) 114) decided in the Third Appellate District Court of this State, the court was required to pass upon the following facts:

An owner of five lots made a contract with a duly licensed general contractor to construct buildings on these lots, agreeing to pay him the cost thereof, plus 10 per cent. The general contractor entered into a subcontract for the brick work with an unlicensed contractor. Prior to starting the actual work a license was issued to the subcontractor. He was paid in full the amount of his subcontract by the general contractor. The owner refused to pay the general contractor contending that the general had awarded the subcontract to an unlicensed subcontractor, which was contrary to law, and therefore invalid.

The general brought suit to recover the amount paid the unlicensed subcontractor along with other unpaid items. The court rendered a judgment in favor of the general contractor, which judgment did *not* include the amount paid by the general to the unlicensed subcontractor, holding with the contention of the owner that the subcontractor was not qualified to make a valid contract, because of the fact that he was unlicensed at the time when the bid was accepted. In its opinion, the court stated that it was the duty of the general contractor to ascertain whether the subcontractor with whom he proposed to deal was licensed, and that the general contractor was bound to know that the Contractors' License Law requires all contractors and subcontractors to be licensed.

In another case—that of *L. S. Whetstone, Respondent vs. The Board of Dental Examiners of California*, Appellant, (87 Cal. App. 156, 261 Pac. 1077)—also decided in the Third Appellate District Court of this State, the court was required to pass upon the obligation of a licensed dentist to ascertain whether or not a person in his office also practicing

dentistry upon the licensed dentist's patients was properly licensed. This matter was first aired before the State Dental Board, where the licensee was charged with aiding and abetting an unlicensed person to practice dentistry, after which it was appealed to the higher court.

While the court did not specifically state that the employer was bound to determine whether or not the person was licensed, it did hold—and that is the point that I desire to bring to your attention in this case—that the "burden of proof is upon the employer to show that his employee is duly licensed."

Applying this decision to a situation that would arise when a licensed contractor contracts with an unlicensed contractor, brings before us the construction that we should place on Section 7118 of the Business and Professions Code, which provides that "knowingly entering into a contract with a contractor while such contractor is not licensed as provided in this chapter constitutes a cause for disciplinary action."

It would therefore appear that if a licensed contractor is charged with knowingly entering into a contract with an unlicensed contractor, anyone so charging him would only have to show that the unlicensed person was acting as a contractor and that he did not have a license, and by such it would be incumbent upon a contractor so charged to prove that he did not know that the unlicensed contractor was, in fact, operating without a license.

I feel that by bringing these cases to your attention, you will thus endeavor to avoid getting yourself into a situation wherein you will deny yourself compensation (*Holm vs. Bramwell*), to which you would otherwise be entitled were you dealing with a licensed contractor; and in the latter case (*Whetstone vs. Board of Dental Examiners*), that you will avoid entering into a contract with an unlicensed subcontractor for the reason that you would subject your license to disciplinary action before the Registrar of Contractors.

Contractors who continually call upon our offices and inspectors for advice in regard to lien laws (which is not given), payment of wages, and similar matters may now secure a compilation of articles dealing with these subjects in the form of the *Handbook for Licensed Contractors*.

Suspensions and Revocations

From April 1, 1940, to July 31, 1940

- A & C ROOFING CO., Daly City, lic. no. 62335, roofing—indefinite suspension for failure to answer.
- ALARI, A. T., Los Angeles, lic. no. 43325, plastering—suspended pending settlement of Municipal Court Judgment.
- ALDERSON, W. C., San Jose, lic. no. 42432, plastering—indefinite suspension for failure to answer.
- ARNETT, P. G. & CO., Los Angeles, lic. no. 61139, plastering—suspended pending further order.
- AUGELLO, ROBERT, Oakland, lic. no. 45388, general building—indefinite suspension for failure to answer.
- BAKER, WILLIAM C., Los Angeles, lic. no. 27715, plastering—suspended for 30 days.
- BANKS, HAROLD A., Napa, lic. no. 54294, speculative builder—suspended until restitution and 30 days thereafter.
- BAPTIST, BOB., Long Beach, lic. no. 66701, plastering—suspended for 90 days.
- BARNARD, RALPH, Los Angeles, lic. no. 58284, painting and decorating—suspended for 30 days.
- BLAIR, ELTON, Sacramento, lic. no. 19423, general building—suspended for 30 days.
- BOLMAN, K. M., San Diego, lic. no. 24707, painting and decorating—suspended for 90 days.
- BOUGHTON, W. G., San Diego, lic. no. 28721, general building—indefinite suspension pending further order.
- BRALEY, S. A., Altadena, lic. no. 65347, sewers and drains—suspended for 15 days.
- BRIDWELL, RICHARD W., South Gate, lic. no. 43715, electrical—suspended for 60 days.
- BRINEGAR, BUD, Taft, lic. no. 63368, general building—indefinite suspension pending further order.
- BUILDERS INCORPORATED, Los Angeles, lic. no. 62550, general building—revoked.
- BUILDING MAINTENANCE SERVICE, Los Angeles, lic. no. 27608, general building—indefinite suspension pending further order.
- CALIFORNIA TERMITE AND FUNGI CONTROL, San Jose, lic. no. 49681, carpentry—suspended for 30 days.
- CARY ROOF COATING & MFG. CO., Los Angeles, lic. no. 46174, roofing—suspended until restitution.
- CITY ELECTRIC, Oakland, lic. no. 54639, electrical—indefinite suspension until restitution and 60 days thereafter.
- COLONIAL BUILDER, THE, Burbank, lic. no. 63917, cement and concrete—indefinite suspension pending further order.
- CONRADT, ASA RAY, Taft, lic. no. 46322, plumbing—suspended for 30 days.
- COOK, A. E., Los Angeles, lic. no. 48706, cement and concrete—indefinite suspension pending further order.
- CRANE, BERMEL AND JOYCE, Los Angeles, lic. no. 57764, cement and concrete—revoked.
- CREPEAU, JOSEPH EUGENE, Los Angeles, lic. no. 61936, cement and concrete—indefinite suspension pending further order.
- CRUTSINGER, FRED E., Albany, lic. no. 24279, general building—indefinite suspension for failure to answer.
- DEALY, F. E., Avenal, lic. no. 62703, general building—suspended for 15 days.
- DEL BEATO AND DEL BEATO, Los Angeles, lic. no. 54601, general building—indefinite suspension until completion of work.
- DE LEON, LAURENCE, Salinas, lic. no. 46869, general building—suspended for 90 days.
- DELGADO, JULIO G., Oxnard, lic. no. 12773, electrical—indefinite suspension pending further order.
- DEVLIN, MURRAY AND DEVLIN, ANDY, San Bernardino, lic. no. 56950, cement and concrete—suspended for 60 days.
- DUNN, GEORGE L., Monrovia, lic. no. 63165, general building—revoked.
- DUTCH BOY MASTER PAINTERS, Burbank, lic. no. 65313, painting and decorating—indefinite suspension pending further order.
- ENNIS, F., San Carlos, lic. no. 38462, carpentry—indefinite suspension until restitution and 30 days thereafter.
- EVANS, EARL R., Culver City, lic. no. 63376, general building—indefinite suspension for failure to answer. License later surrendered.
- FOSS, M. S., Sacramento, lic. no. 39955, general building—indefinite suspension until restitution and 30 days thereafter.
- GARDNER, ROY D., Inglewood, lic. no. 38153, plumbing—indefinite suspension until restitution.
- GENERAL IMPROVEMENT CO., Santa Ana, lic. no. 61450, general building—indefinite suspension until restitution.
- GENERAL ROOFING & SIDING COMPANY, Los Angeles, lic. no. 49622, general building—suspended pending further order.
- GOMEZ, FRANK, San Diego, lic. no. 22636, plastering—indefinite suspension until restitution.
- GONZALEZ, PEDRO, Los Angeles, lic. no. 49959, masonry—brick, etc.—suspended for 30 days.
- GRANIER, I. C., North Hollywood, lic. no. 62565, general building—indefinite suspension pending further order.
- GRIFFITH, G. S., San Marino, lic. no. 28738, general building—suspended for 60 days.
- HACKETT, J. H., Sacramento, lic. no. 63131, general building—indefinite suspension pending further order.
- HALL, G. T., San Diego, lic. no. 58953, painting and decorating—indefinite suspension until restitution and 90 days thereafter.
- HEAD, W. E. & JAMES, Taft, lic. no. 59031, general building—suspended until restitution made.
- HENRY, ALBERT W., Burbank, lic. no. 58462, painting and decorating—indefinite suspension pending further order.
- HERRICK, LEO, Fontana, lic. no. 60961, general building—revoked.
- HOEVEN, A. E., Long Beach, lic. no. 24009, general building—indefinite suspension until restitution and for 30 days.
- HOFFMAN, L. H., COMPANY, Los Angeles, lic. no. 48293, speculative builder—suspended until restitution made.
- HOLLAND, W. B., Hanford, lic. no. 20474, general building—suspended for 30 days.
- HOME IMPROVEMENT CO., THE, Fresno, lic. no. 62290, general building—indefinite suspension pending further order.
- IJAMES, R. C., San Francisco, lic. no. 62011, painting and decorating—suspended for four months.
- JACOBSON, LEONARD J., Los Angeles, lic. no. 31681, general building—suspended for 30 days.
- KEAS, FRANK, Bell, lic. no. 63423, roofing—indefinite suspension pending further order.
- KNUDSON, A. R., Monrovia, lic. no. 50780, general building—indefinite suspension until restitution and for 90 days.
- LAKE, GEORGE C., La Mesa, lic. no. 57932, painting and decorating—suspended for 60 days.
- LAWSON, C. AND JASVEN, M., Oakland, lic. no. 59521, painting and decorating—indefinite suspension for failure to answer.
- LEE, WILLIAM W., Whittier, lic. no. 60462, plastering—suspended for 30 days.
- LEHMAN, J. G., San Francisco, lic. no. 37526, general building—suspended for 15 days.
- LINDSEY & WEBB, Pacoima, lic. no. 62041, cesspools—indefinite suspension for failure to answer.
- LINSLEY, M. A. dba UNIVERSAL CONSTRUCTION, LTD., Sacramento, lic. no. 43569, general building—revoked.
- LOGAN & PETERS, Grass Valley, lic. no. 63817, general building—indefinite suspension pending further order.
- MACIVER, EDWARD R., Sausalito, lic. no. 50652, painting and decorating—suspended for 1½ months.
- MALAMUD, S. & SON, Los Angeles, lic. no. 45457, painting and decorating—indefinite suspension until restitution.
- MARTIN, HAROLD M., Fresno, lic. no. 61981, general building—indefinite suspension pending further order.
- MCCORMACK, L. E., Los Angeles, lic. no. 56694, cement and concrete—indefinite suspension pending further order.
- MCCOY, C. M., San Francisco, lic. no. 45806, painting and decorating—indefinite suspension for failure to answer.
- MCGAVOCK, J. H., Los Angeles, lic. no. 54116, plastering—indefinite suspension until restitution.
- McKENNY, EARL M., Sunland, lic. no. 14098, electrical—suspended for 90 days.
- MERRELL, W. M., North Hollywood, lic. no. 50717, speculative builder—revoked.
- MILKIS, S., Los Angeles, lic. no. 4429, plastering—suspended 30 days and until restitution.
- MORROW, G. E., Alhambra, lic. no. 65160, carpentry—suspended for 30 days.

NEWTON, GEO. S., Calistoga, lic. no. 27576, general building— indefinite suspension until restitution and for 60 days thereafter.

NOYES MAINTENANCE SERVICE, San Diego, lic. no. 12962, general building—revoked.

NU-WAY MODERNIZATION COMPANY, Fresno, lic. no. 64178, general building— indefinite suspension for failure to answer.

ODENTHAL CONSTRUCTION CO., Los Angeles, lic. no. 48287, general building— indefinite suspension until restitution and for 90 days.

PALAZZOLO, GREGORY, Monrovia, lic. no. 65093, general building—revoked.

PORTER BROS., Escondido, lic. no. 60284, roofing— suspended for 15 days.

REDMOND CONSTRUCTION CO., North Hollywood, lic. no. 42247, general building— indefinite suspension until restitution.

REYNOLDS, C. B., Beverly Hills, lic. no. 65820, general building— indefinite suspension pending further order.

RICE & SON, Van Nuys, lic. no. 40924, plastering— indefinite suspension pending further order.

RIDDLESBURGER, T. R., Escondido, lic. no. 22644, plumbing—suspended for 45 days.

ROBINSON, CHARLES, Van Nuys, lic. no. 40823, carpentry— indefinite suspension pending further order.

ROSALES & SON, Los Angeles, lic. no. 35808, general building—suspended for 30 days and until restitution.

ROWEN, A. I., Sacramento, lic. no. 53944, general building— indefinite suspension pending further order.

SALAMEDA, JOSEPH, San Jose, lic. no. 60190, general building—suspended for six months.

SAN JOSE TERMITE CONTROL, San Jose, lic. no. 65889, pest control (structural)—suspended for 30 days.

SAUNDERS, RALPH, Wilmington, lic. no. 56135, general building— indefinite suspension until restitution.

SCHENSTROM, TEDDY, Hollywood, lic. no. 48202, floor—revoked.

SCHMITT, GEORGE P., San Francisco, lic. no. 33348, heating and ventilating— indefinite suspension until restitution.

SHIMEL, E. M., San Diego, lic. no. 57574, general building—suspended for 30 days.

SHINN, E. R., Pasadena, lic. no. 6051, general building—suspended for 30 days.

SILVA, J. P., Oakland, lic. no. 39807, general building— indefinite suspension for failure to answer.

SIMMONS, HENRY B., Bakersfield, lic. no. 65046, general building— indefinite suspension pending further order.

SIMS, BURTON R., Hollywood, lic. no. 51601, general building—revoked.

SOONS, GEORGE, Arcadia, lic. no. 54605, carpentry— indefinite suspension.

SPEARIN, SID, Wilmington, lic. no. 11261, general building— indefinite suspension until restitution and for 60 days.

SQUIRES, C. R., Alameda, lic. no. 851, general building— indefinite suspension until restitution.

STEPHENSON, R. H., San Francisco, lic. no. 20232, plastering—suspended for 30 days.

STROUT, E. C., San Bernardino, lic. no. 12050, general building— indefinite suspension until restitution.

SUN CONSTRUCTION CO., INC., Los Angeles, lic. no. 63606, engineering—revoked.

SUTTON, JAMES ROBERT, Bakersfield, lic. no. 55573, general building— indefinite suspension until further order.

TALIAFERRO, JOHN L., Martinez, lic. no. 48110, general building— indefinite suspension for failure to answer.

TALLEY, M.D., Bell, lic. no. 53015, tile and tiling—revoked.

TERMITE EXTERMINATING CO., Long Beach, lic. no. 65760, pest control (structural)—revoked.

THOMAS, WINFIELD S., Berkeley, lic. no. 21483, granite and stone—suspended for 60 days.

TOMKINSON, W. E., Escondido, lic. no. 62666, cement and concrete—suspended for 15 days.

TORR & KING, Arcata, lic. no. 38496, painting—suspended for 30 days by Justice Court, Arcata.

TRI-CITY ROOF AND PAINT COMPANY, San Bernardino, lic. no. 49633, painting and decorating—suspended.

TURNER, A. D., Los Angeles, lic. no. 53025, tile and tiling— indefinite suspension pending further order.

TURNER, DICK E., Burbank, lic. no. 54814, plastering—suspended for 30 days.

UNIVERSAL CONSTRUCTION, LTD., Sacramento, lic. no. 43569, general building—revoked.

VUKICEVICH, M. E., San Francisco, lic. no. 34458, general building— indefinite suspension for failure to answer.

WELLS, FRANK, Bakersfield, lic. no. 57497, electrical— indefinite suspension until further order.

WELLS, JOHN S. & BRACKPOOL, GEO. F., Montrose, lic. no. 59934, painting and decorating—suspended for 60 days.

WELTON, J. W., Baldwin Park, lic. no. 55109, general building— indefinite suspension until restitution and 30 days thereafter.

WHITTEMORE, REGINALD AVERY, Long Beach, lic. no. 62185, general building— indefinite suspension until restitution.

WIGGINS, THOS. A., San Jose, lic. no. 59116, painting—suspended for 30 days.

ZASTROW, WM. & ZASTROW, WALTER, Huntington Park, lic. no. 65919, general building—suspended for 30 days.

ZOBEL, ARTHUR EMIL, Colton, lic. no. 47141, speculative builders—revoked.

Imperial Valley Quake Proves Construction Theories Sound

(Continued from page 2)

gestion of the El Centro officials, our plans were so laid that our services could be immediately spread, if such seemed advisable.

"At six thirty Monday morning our men had commenced a check of all structures in El Centro, to list those obviously unsafe for present occupancy, or suitable for use with minor safeguards, or probably safe, but with careful examination and/or tests recommended.

"Assignments to the three El Centro crews were made as follows:

Nat Neff (chief), Buren Thorleifson and Gus H. Pulliam (assistants);
Wm. H. Hughes (chief), Harry Davis and Jack Ashbaugh (assistants);
Jess Aykroyd (chief), E. C. Westbrook and J. V. McGinnis (assistants).

"As rapidly as these men could be released from El Centro, they were transferred to Imperial or to Brawley.

"This checking was completed Wednesday, May 22. Approximately four hundred places of business, housed in some two hundred twenty-five structures, including all residences subject to suspicion, were inspected. Structures obviously unsafe in their present condition were posted with temporary condemnation notices.

"A report, typical of those prepared and filed with the city engineer, is attached hereto. Your notice of rejection of liability for professional services was filed prior to filing of our reports.

"City Manager Walter K. Hopkins of Brawley was contacted Monday morning, and he requested assistance. By eight a.m. we had assigned Inspector John H. Frew to coordinate inspection work in Brawley and to act as a buffer between the city officials and citizens requesting precedence in inspection of their particular buildings.

"As fast as recruiting permitted checking units of two and three were assigned territories by Inspector Frew at the 'traffic' desk. These units were composed of other State employees, local officials with construction experience and volunteers from the outside engineering field. Our men engaged in this work numbered seven as of midafternoon Monday, with our first man assigned to that work, Examiner Dick White, already on the job at the time the traffic desk was established in the early morning.

"This work in Brawley was completed Thursday afternoon, when a total of three thousand, eight hundred inspections had been completed. This program covered every structure in Brawley and also an inde-

pendent survey by technical men for explosive collections of sewer gas and broken sewer lines causing a sanitary danger.

"The sanitary inspection work was undertaken by Inspector E. C. Westbrook.

"Eight hundred eighty-six separate reports were filed by these examiners because of unsafe conditions, and temporary condemnation notices posted in each case. A majority of the 'condemnations' for plumbing or sewerage damages occurred on jobs also 'posted' for structural damage.

"Following the safety check, one inspector was assigned to work upon an engineering survey unit preparing more detailed structural reports upon the major commercial structures. This man has today (May 29th) completed this assignment.

"Also, at the close of the rapid check for obvious dangers, two inspectors were assigned to the traffic desk, to assist the city manager in handling permits and inquiries as to methods and standards relating to reconstruction work. These men completed their work today, May 29th.

"Commencing Monday, May 27th, we have established, as you directed, a full-time office in Imperial Valley in order to cope with the increased construction work that will naturally result, and to offset troubles that experience shows always accompany booms, and particularly 'disaster' booms. This office will be maintained as long as conditions warrant.

"In Imperial, at the request of the city officials, a crew of three of our men worked for one day under the city engineer, checking conditions in the three major commercial structures within the city.

"Other lesser services, such as drafting of news stories outlining the required procedure in commencing reconstruction, were rendered in the district when requested.

"Public bodies in Holtville, Calipatria and Calexico were contacted and our services offered. In these communities damage was relatively light and the local forces were in full control of matters.

"In order to discourage an influx of undesirables, the vanguard of which showed up *Sunday, May 19th*, seeking to profit by the disturbed situation and a possible need for services outside of the power of local industry to supply, operating chambers of commerce in the area were contacted and suggestions made as to possible safeguards to be taken.

"In Brawley, the resistance to earthquakes by newly constructed residences, as compared to that exhibited by older types, was amazing. I am reliably advised that not one chimney was thrown off an FHA job, whereas a ruined chimney was the rule, rather than the exception elsewhere.

"A very large per cent of older homes in Brawley were twisted off their foundations, with consequent interior and exterior damage. As to the FHA jobs, inspectors have reported that most, and possibly all, suffered no injury, not even plaster cracks. To what extent this splendid condition is attributable to the FHA and to inspection under more up-to-date local ordinances, I can not state. That both may be credited seems probable.

"No observations were made of residences in El Centro, where residential damage was inconsequential.

"The perfect cooperation that existed at all times, in all our work, between all parties and organizations engaged in emergency surveys and inspections, constitutes a matter for gratitude.

"The officials of the cities in question, and their employees, may well be complimented upon their coolness, quick thinking, and capacity for work. They set an example that was responsible for a lack of confusion, and for a high morale among their citizens."

Respectfully submitted.

Skilled Mechanics for California's Construction Industries

(Continued from page 4)

order to comply with the law are delegated to local joint apprenticeship committees. In other words, our law is so liberally written and the rules and regulations of the Apprenticeship Council so elastic that for all practical purposes we can and do give to local joint apprenticeship committees the full control of the future of their particular industry in their own locality through the control and guidance of those coming into that industry. In this way we believe that we do establish our objective of industrial self-government.

The initial impulse to participate in the program comes from within the industry to the Administrator. Either employer or employee group may take the initiative, and it then is asked to contact the other group. Each group sends the Administrator the names and addresses of its representatives.

When the selections are approved by the Administrator, they constitute a bona fide apprentice training committee under the law. A representative of the schools then is invited to participate in an advisory capacity.

The joint committee negotiates wages, hours and working conditions for apprentices in its particular trade. When adopted by the groups whom the joint committee represents, the agreement is sent to the Administrator for approval. Thereafter, such conditions of employment for apprentices are in fact the law governing the employment of apprentices so far as that particular trade is concerned.

Mr. George G. Kidwell, Director of Industrial Relations, is by the act named Administrator of Apprenticeship.

It is of primary importance that everyone understand that apprentice training is fundamentally an earning while learning process. This program can not and should not be regarded as a means of furnishing employment to young people. The Apprenticeship Council urges opportunity for youth but can not compel it.

This is the first definite approach made by our state to the problems of our young people. It is obvious, however, that our first job is to institute orderly process where chaotic conditions have existed, and thereafter to take the steps necessary to carry out our fundamental responsibilities.

In conclusion, it seems to me that this presentation would not be complete unless we give some thought to the benefits to be derived from an apprentice training program, not

only as they accrue to the apprentice, but also to the employer, the journeyman, and the public.

An apprenticeship agreement puts order in the training program of the trades where little or no order existed. It throws certain restrictions around the employment of apprentices, but it does not make it harder to employ them, and in the end it works as a decided advantage to apprentice, journeyman, employer, the trade generally, and to the public.

It gives industry, employer and employee combined, the proper control and guidance of its future well-being.

It gives to the employer stabilization of labor within the plant and on the job, smaller labor turn-over, properly trained and competent workers, improved production, better products and equalized competition, lowered costs and balanced opportunities.

It gives to the skilled worker a competence of pride and pleasure in the handicraft of his trade, versatility, the proper selection of those to learn his trade, safety from incompetent and cheap labor, protection from glutted labor markets, increased earning power—which is purchasing power, and security and safety in employment.

It takes the youth away from the evil influences of idleness and starts them on the road to good citizenship.

It gives to the apprentice the opportunities to which he is entitled, such as a fair wage, proper protection, reasonable continuity of employment, regular advancement and the great satisfaction of being an upright, self-supporting member of society, confident in security, and with faith in the future.

It brings to the public the benefits that can come only from well organized efficiency and stabilized industry and employment.

However, and in conclusion, may I say this: That as American citizens, the bigger, better and broader view of the apprentice program must come to us with the realization of the fact that just as we keep the faith with the youth of today, so will we have kept the faith with the tomorrow of our state and Nation.

A limited supply of the *Handbook for Licensed Contractors* is still available. You should insure your securing one of these copies by immediately placing your order with the Supervisor of Documents, Capitol Building, Sacramento. Price \$1.00 plus 3¢ tax.

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Why Licenses Are Suspended or Revoked

(Continued from page 8)

ruptcy, he was guilty of diversion of funds and the complaint is later filed, within the two-year time limit set, the Registrar may still suspend his license for diversion of funds. In other words, bankruptcy has no effect in wiping out a decision of the Registrar or in clearing a contractor from an action that would otherwise be proper before the Registrar.

The August "California Licensed Contractor" will have an article upon Section 7109 of the Business and Professions Code:

"Wilful departure from or disregard of, plans or specifications in any material respect, and prejudicial to another without consent of the owner or his duly authorized representative, and without the consent of the person entitled to have the particular construction project or operation completed in accordance with such plans and specifications constitutes a cause for disciplinary action."

Court Suspends License of Contractor

A licensed contractor of Arcata, having in his employ three men and not having them covered with a policy of compensation insurance, resulted in his being apprehended and brought before the court of Justice W. H. Ogilvy.

The court in its decision invoked section 7106 of the Business and Professions Code (Contractors' License Law), by suspending the defendant contractor's license, as well as imposing a fine.

The judgment rendered follows:

"Wherefore it is ordered and adjudged that said defendant be fined \$20 and that license be suspended for thirty days, except that he can continue work on the jobs he already contracted."

Section 7106 of the code provides that a court in connection with any action involving a licensee in the performance of his legal obligations as a contractor may also embrace the suspension or revocation of a contractor's license.

The Contractors' Board has for many years undertaken to acquaint the judiciary with this provision of the law in order that decisions contain this invocation, as thus a real penalty is imposed.

The complaining witness in this case was Harry H. Hill, an inspector of the board.